

State of Indiana
Work Plan for U.S. EPA Brownfields Cleanup Revolving Loan Fund
Cooperative Assistance Agreement

This project supports the Environmental Results Goal 4, Healthy Communities and Ecosystems, Objective: 4.2; Sub Objective: 4.2.3.

CFDA: 66.818

CERCLA Authority: 104(k)(2)&(3) -The Small Business Liability Relief and Brownfields Revitalization Act

DCN: STX

Budget: FY 08

Budget Org: 05F0AGJ

Object Class: 4114

Program Results Code (PRC): Hazardous Substances 402D79
Petroleum 402D79EBP

Project Period: August 1, 2008 – July 31, 2013 (5 years)

Project Contact: Michele Oertel, EPA/Community Liaison & Outreach Coordinator
Indiana Brownfields Program
100 N. Senate Ave, Rm 1275
Indianapolis, IN 46204

Phone: 317-234-0235

Fax: 317-234-1338

Email: moertel@ifa.in.gov

Proposed Outputs & Outcomes:

The primary expected **Output** (Quantitative Measure) is as follows: all the RLF funds (a total of \$2.4 million, reflecting federal funds of \$2 million plus the state's cost share/cash match of \$400,000) will be used to increase the Indiana Brownfields Program's (Program) capacity to issue loan(s) to address and reduce the threat of hazardous substances, contaminants or pollutants through use of the RLF funds to remediate and rehabilitate contaminated property within a selected community(ies).

The primary expected **Outcome** (Qualitative Measure) is as follows: The Program expects all the RLF funds will initially be loaned to one borrower (City of Evansville) for remediation of brownfield sites in that community, resulting in their eventual cleanup and redevelopment and the creation of new jobs and improved environmental quality in the Evansville community and/or other borrowers. As repayments are made under the initial loan(s), the funds will be revolved, enabling the Program to provide financial assistance through additional loans to other communities throughout Indiana to address their brownfield properties and return them to productive use.

I. PROJECT BACKGROUND

The United States Environmental Protection Agency (U.S. EPA) has awarded the State of Indiana a Brownfields Revolving Loan Fund Grant (RLF Grant) in the amount of \$2 million for remediation of suspected or confirmed hazardous and/or petroleum substances-contaminated properties located in disadvantaged neighborhoods in Indiana. The Indiana Finance Authority (Authority), Indiana Brownfields Program (Program) will perform all administrative duties of grant management and will be directly responsible to U.S. EPA for all grant requirements, including grant reporting and financial management of the grants on behalf of the State of Indiana. Funding under the Cooperative Assistance Agreement (CA) will capitalize loans (minimum 60%) and/or provide cleanup subgrants ($\leq 40\%$, in the form of a 20% maximum forgivable component of a loan at petroleum and/or hazardous substances-contaminated brownfields statewide pursuant to the 2002 Brownfields Law).

The targeted area for this RLF Grant is the State of Indiana, with first priority given to the RLF proposal's co-applicant, the City of Evansville, which has a need for a large loan to help address brownfield properties in its community.

II. PROJECT GOALS AND OBJECTIVES

Once the CA is executed, the Program will work with the City of Evansville, followed later by other communities statewide, to identify, evaluate and select specific brownfield properties at which to utilize the grant funds. The goals relating to utilization of this grant include:

- Increase the Program's capacity to issue loans to address contamination from hazardous and petroleum substances, contaminants, or pollutants, enabling first Evansville, and then other communities statewide, to return properties to viable use.
- Enabling the Program to revolve loan funds (create a continual funding source) to sustain the it's ability to address increasing demand for support of local redevelopment efforts across the State;
- Reduce the environmental threat of hazardous and petroleum-contaminated sites to affected communities through cleanup and reuse;
- Leverage the grant funds with other redevelopment assistance or other funding (Federal grants, State grants/loans, local public/private match, etc.) to further remediation and rehabilitation, renovation, or new construction within selected communities;
- Publicize to stakeholders such as businesses, property owners and residents the availability of financial and technical assistance to clean up and redevelop abandoned or underutilized commercial/industrial properties;

- Create a well-publicized, user-friendly revolving loan incentive;
- Increase employment services in areas with high unemployment.

III. PROJECT ROLES AND RESPONSIBILITIES

The Program will undertake three major tasks under the CA:

- Task 1: Develop RLF Program
- Task 2: Select Loan Recipients
- Task 3: Perform Cleanup

Task 1: Develop RLF Program

A. Define Staff Roles:

Project Manager: Michele Oertel Ms. Oertel will serve as the project manager/contact person (Project Manager) for the loan(s). The Project Manager will forward all necessary financial and progress reports to U.S. EPA Region 5. The Project Manager will also act as a liaison with U.S. EPA, the public [through community outreach], property owners, and other stakeholders. As necessary, Ms. Oertel will be assisted by Cindy Shively Klem, Program Counsel.

Technical Review Coordinator: Kevin Davis Mr. Davis is the Program's Technical Review Coordinator and will be responsible for supervising the work of the Program's technical staff and coordinating the oversight of loan-funded work.

Director of Environmental Programs: Jim McGoff Mr. McGoff is the Authority's Director of Environmental Programs and will serve as Chief Executive.

Finance Manager: Matt Martin Mr. Martin is the Authority's Finance Manager, and will serve as Payee (the individual responsible for tracking loan disbursements).

Site Manager: The Site Manager for each RLF-funded project will be a technical project manager. The Site Manager will conduct oversight of cleanup activities and ensure that the RLF-funded cleanup meets applicable and appropriate requirements under Federal and State environmental laws; monitor all contractors performing RLF-funded cleanup work; maintain site-specific records, draft necessary reports for each site.

B. Community Notification & Involvement:

The Program will market the loan incentive and communicate progress to the public with initial assistance from the City of Evansville and its partners. These activities will be provided as in-kind services and will consist of sending messages to email listservs (those of both the Program and the City); posting information to Web sites (those of both the Program and the City); authoring articles for newsletters (those of both the Program and the City); creating and distributing fliers, fact sheets, and press releases; and giving

presentations around the state. Progress on site-specific remediation work will also be shared with the public through the methods listed above as appropriate.

Community Notification & Involvement		
Activities	Deliverables	To Be Completed By
Issue press releases from Evansville's Mayor's office and IFA	Press Release	April 8, 2008 (IFA press release issued)
Hold public availability sessions to explain the RLF Incentive/planning	Summary of relevant comments and responses received; include in EPA reports	September 12, 2008 (public availability sessions)
Create a local repository in Evansville (and any other affected community requesting an RLF loan) with all relevant information		September 12, 2008
Place copy of the RLF Grant Proposal on the Program's and City of Evansville's websites		September 12, 2008
Distribute information regarding the RLF to the entire state via the Program's newsletter and various email listservs, including the Program's Listserv and the Indiana Land Use Consortium Listserv, and the Indiana Association of Cities and Towns Listserv	Post RLF information to Program's Web page, distribute via listserv, and include in Program's newsletter Create news releases and fact sheets to describe progress and provided in EPA quarterly reports	September 12, 2008 (Ongoing as clean-up activities progress)
Publish notices in the Evansville Courier & Press and other regional newspapers and request public comment regarding the grant	Copy of notice and summary of comments provided; include in EPA quarterly reports	September 12, 2008

C. Grant Management by Program staff.

These activities will be provided as in-kind services and will consist of Program staff developing the incentive (e.g., drafting guidelines and outreach materials), evaluating the overall progress and success of the RLF, fulfilling reporting requirements to U.S. EPA, and any other grant management responsibilities set forth in the CA. Program staff will also engage in general communication with EPA about the grant as needed.

Grant Management		
Activities	Deliverables	To Be Completed By
Document and report to U.S. EPA Region 5 on a quarterly basis: <ul style="list-style-type: none"> • Selected loan recipients/sites • Current/proposed remediation activities • Community involvement • Expenditures and budget status • Requested modifications to work plan(s) • Key measures of success 	Quarterly progress reports DBE Reports	First progress report due January 30, 2009 Subsequent progress reports will be due on a quarterly basis within thirty (30) days of the previous reporting period Semi-annually
Document and report annual financial status of grants	Annual financial status reports	October 30, 2008 – 2013
Complete grant closeout requirements	Grant closeout forms	October 30, 2013

D. Develop RLF Incentive Application Process & Guidelines.

The Program has existing guidelines for its low-interest loan (LIL) incentive. The LIL guidelines will be modified as necessary to incorporate applicable Federal requirements under the CA and will form the framework of the RLF incentive guidelines to be developed. The application and review process will mirror the Program's current process for LIL and comply with new RLF guidelines. An application will be developed based on the existing LIL application, and applicants will be accepted on an ongoing basis until the grant funds are all obligated. These activities will be provided as in-kind services.

Deliverable: Guidelines & application for loans using RLF monies

Target Application Completion Date: November 30, 2008

E. Develop Model Loan Document.

The Program has an existing template loan agreement and documentation related to the forgivable component of eligible loans. Utilizing existing templates, the Program will work with U.S. EPA, as necessary, to develop a new template RLF loan agreement. The development of this document will be provided as in-kind services.

Deliverable: Template RLF loan agreement

Target Completion Date: November 30, 2008

Task 2: Select Loan Recipients/Schedule: Issue Loans & Subgrants

Through in-kind services, the Program will be responsible for all programmatic costs associated with implementing the RLF, including selecting loan recipients and issuing

loans. At the outset, the Program will offer to loan the entire amount of available funds, \$2,400,000, to the City of Evansville. However, if Evansville does not choose to take a loan for the full amount of the RLF award and cash match, remaining grant funds (and later, revolved funds) will be offered to eligible applicant(s) statewide according to the new RLF guidelines. The Program's objective is to loan the entire amount of the RLF grant and cash match within the first eighteen (18) months of the CA's project/budget period.

- A. RLF Selection Criteria. After the City of Evansville has been extended its first offer of loan funds, and funds remain (or are revolving), each subsequent loan request will follow a series of steps to meet the selection criteria established in the new RLF guidelines. These criteria will be developed (as indicated above in Task 1.D.) and may include steps such as:
- Presentation/meeting between borrower and the Program to discuss the site(s)
 - U.S. EPA Eligibility Determination of sites(s)
 - Complete loan application
 - Cost-estimate provided (itemized for individual project activities in accordance with new RLF guidelines)
 - Fiscal review by Program including, if required, local ordinances and debt instrument
- B. Issue Loans. The new RLF guidelines will include available interest rate(s) and terms(s) of the loans and forgivable component (sub-grants) under the RLF incentive. Funds will be disbursed to a loan recipient after loan closing and according to the terms of the loan agreement, including, but not limited to, Program review and approval of invoices as compared to the Program-approved Scope of Work. The Program will track disbursement of federal funds to ensure they are spent on eligible costs (with the fiscal oversight provided by the Finance Manager).

Year 1	\$2,400,000 (RLF award plus 20% non-federal cash match of \$400,000)
Year 2	\$ balance of Year 1
Year 3	\$ balance of Year 2 (and/or begin revolving funds)
Year 4	\$ balance of Year 3 (and/or begin revolving funds)
Year 5	\$ balance of Year 4 (and/or begin revolving funds)

Deliverable: Loan agreement(s) with forgivable component, if applicable
Target Completion Date: 2013 (5 years)

Select Loan Recipient(s); Issue Loan(s)/Subgrant(s)		
Activities	Deliverables	To Be Completed By
Create RLF Selection Criteria	Guidelines	November 30, 2008
Create RLF Loan Agreement Template with forgivable component, if applicable	RLF Loan/Grant Agreement	November 30, 2008
Execute Loan Agreement with City of Evansville (or statewide recipient)	Executed Loan Agreement	March 30, 2009
Execute Loan Agreement(s) with other communities/revolve loan repayments	Executed Loan Agreement(s)	The RLF will be opened to all Indiana communities and all grant funds loaned by 2013

C. Issue Subgrants.

Subgrants (using $\leq 40\%$ of the RLF monies) may effectively be issued in the form of a 20% maximum forgivable component of a loan (pursuant to the new RLF guidelines to be developed). Using the Program's current LIL guidelines as a framework, remediation and economic development goals will be included in the loan agreement, and their satisfaction required as a condition of loan forgiveness. The same schedule listed above is applicable.

Task 3: Perform Cleanup

A. Oversight by Program staff (In-Kind Services).

Oversight of cleanup activities (technical assistance) will be provided as in-kind services and will consist of Program technical staff overseeing the project consultants' remediation work and preparation of written reports. The Program will make recommendations to U.S. EPA on Site Eligibility Determinations, as appropriate. Comment letters regarding completed remediation activities will be issued to the loan recipients as appropriate. When appropriate, Program staff will also be available for discussion of other financial assistance that may be available through the Program or U.S. EPA.

Oversight		
Activities	Deliverables	To Be Completed By
Review and approve QAPP, SAP, and Final Remediation Work Plan (RWP)	Correspondence as necessary	Ongoing
Prepare Site Eligibility Determinations as appropriate	Eligibility Determination Memos	Ongoing
Perform field inspection/oversight of cleanup activities	Documentation/Field Notes	Ongoing
Review the work underway pursuant to an approved RWP and determine additional activities for newly-identified areas of concern and type/extent of chemicals of concern	Documentation/Field Notes	Ongoing
Provide technical comment letters for each project, including discussion of additional environmental work that may be necessary	Comment letters	Ongoing
Provide cleanup planning assistance as necessary	Correspondence as necessary	Ongoing
Update Property Profile Forms in ACRES as appropriate	Updated Property Profile Form	As needed

B. Loan Recipient(s) to Hire Consultant(s) and Undertake Cleanup

The City of Evansville, and possibly other communities in Indiana, will use RLF funds under the terms and conditions of an approved RLF loan agreement to fund remediation work. The selection of an environmental consultant to perform excavation, disposal, capping, and other remediation activities will be pursuant to the terms of the new RLF guidelines (and any terms and conditions of the CA) at selected brownfield sites that are eligible for funding under the CA. As discussed above, this cleanup work will be completed under the oversight of the Program, and will require a site-specific QAPP, HASP and remediation cleanup documents created in coordination with the Program, including a Final Remediation Work Plan and Final Report, all of which will be reviewed and approved by the Program and, if necessary, by the U.S. EPA.

IV. Budget

The entire amount of grant funding (\$2,000,000) and the cost share/cash match (\$400,000) will be used to provide loans to communities to hire environmental consultants to perform remediation activities at eligible hazardous substances and petroleum-contaminated brownfield sites in Indiana, with the initial potential loan recipient being the City of Evansville.

Through in-kind services, the Program will be responsible for all programmatic costs associated with establishing the RLF, performing community outreach, identifying and selecting loan recipients, prioritizing sites, providing oversight of consultant activities, and evaluating/reporting progress to U.S. EPA. The following table demonstrates the budget for RLF grant.

Table 1: Budget for RLF funded work Related to Hazardous Substances and Petroleum-Contaminated Brownfield Sites

Budget Categories	Project Tasks for RLF			
	Task 1: Develop RLF Program	Task 2: Select Loan Recipient/ Issue Loans	Task 3: Perform Cleanup	Total
Personnel	IN-KIND	IN-KIND	0	
Fringe Benefits	IN-KIND	IN-KIND	0	
Travel	IN-KIND	IN-KIND	0	
Equipment	IN-KIND		0	
Supplies	IN-KIND		0	
Subtotal	IN-KIND	IN-KIND	0	
Other	0	0	2,000,000	2,000,000
Subtotal	0	0	2,000,000	2,000,000
Cost share (cash match by State of Indiana)	0	0	400,000	400,000
Total	0	0	2,400,000	2,400,000

Budget Narrative for the Budget Table:

Personnel – All personnel costs associated with this grant will be provided through in-kind services.

Fringe Benefits – All fringe benefit costs associated with this grant will be provided through in-kind services.

Travel – All travel costs associated with the administration of this grant, including technical oversight of the consultant's field work, will be provided through in-kind services. Any travel costs associated with the remediation work (consultant-incurred costs) are included in the contractual category.

Equipment – All equipment costs associated with the administration of this grant will be provided through in-kind services. Any equipment costs associated with the remediation work (consultant-incurred costs) are included in the contractual category.

Supplies – All costs for supplies associated with the administration of this grant will be provided through in-kind services. Any costs for supplies associated with the remediation work (consultant-incurred costs) are included in the contractual category.

Other – The total anticipated loan funded costs for remedial services is \$2,400,000 for hazardous substances/petroleum-contaminated sites. This will cover costs associated with the borrower's development (in coordination with the Program) of the ABCA, QAPP, HASP and all other remediation documents, including, but not limited to, a Final Remediation Work Plan and a Final Report and cleanup costs at a site.